

Education, Children and Young People Committee Pre-Budget Scrutiny 2022-23

... the Committee considers that addressing inequalities needs to be at the heart of the response to Covid-19 within your portfolio

RESPONSE

Advancing equity and reducing inequality is at the heart of the Education and Skills portfolio's investment. The key inequalities being tackled by the Education and Skills portfolio through targeted budget spend are characterised by differences in development and attainment levels, and consequent inequality in social and economic outcomes, for children and young people with protected characteristics or experiencing socio-economic disadvantage.

The Scottish Government continues to prioritise funding to: raise attainment and to close the attainment gap through prevention and early intervention; to provide the expanded statutory entitlement to 1,140 hours per year of high-quality early learning and childcare; and ensure the role that the further and higher education sectors, and skills provision play in supporting inclusive economic growth is maximised. Given the continued need to respond to economic challenges in the context of the UK's exit from the EU and the COVID-19 recovery, the Scottish Government continues to prioritise investment in skills and training to support an education and skills-led recovery

The Committee would therefore welcome information on what work the Scottish Government is undertaking to assess the educational impact of the pandemic upon children and young people and the financial implications of addressing that impact.

RESPONSE:

As the committee has recognised, the Scottish Government acted quickly to address the educational impact of the pandemic, including the investment of an additional £0.5 billion during 2020-21 and 2021-22.

Our [education recovery plan sets](#) out how that investment is being used as part of our ongoing response, as well as highlighting key next steps in continuing to address those impacts. It also references a schedule of forthcoming data and evidence releases that will help to continuously assess the impact of the pandemic on children and young people.

A central part of that evidence is the National Improvement Framework Interactive Evidence Report. This brings together available evidence on achievement, attainment, health and wellbeing, and includes a specific focus on differences between children living in the most deprived and least deprived areas.

Whilst the pandemic and interruption to business as usual has caused some gaps in available evidence, additional data sources have been identified to provide further evidence on the impact of the pandemic on children young people, parents and carers and the teaching workforce. These will be reported on in the NIF 2022 in December 2021.

The Scottish Government will continue to draw from that monitoring - which will add to existing material such as our Equity Audit which was published last year - to adjust the nature of our policy response as required.

The Covid-19 Expert Advisory Group on Universities and Colleges (EAG) has been undertaking work focused on the wider harms of the Covid-19 pandemic on college and university staff and students as well as learners within Community Learning and Development (CLD) setting. University, college and student representatives have given oral and written evidence to the EAG of the wider harms. The EAG Chair and some of its members have also had themed evidence sessions with trade unions and CLD representatives. An EAG advice paper will be produced in early 2022 summarising the impact of the wider harms of Covid-19 on staff, students and learners within colleges, universities and CLD.

The support provided to students over the course of the pandemic has been substantial with now over £96 million provided via hardship funding, digital access, mental health support and for student associations. As part of that, the Scottish Government invested an additional £20 million earlier this year in recognition of reduced employment opportunities for students and continued hardship. These funds remain available for Further and Higher Education students who are experiencing hardship. The Scottish Government is continuing to engage regularly with NUS Scotland in order to understand the issues students are currently facing.

Accordingly, the Committee considers that the provision of multi-year budgets, dealing with both capital and resource allocations, should be prioritised

RESPONSE

The Scottish Government recognises the benefits of multi-year funding allocations but has been limited in its ability to do so. I and the Cabinet Secretary for Finance and the Economy agreed to confirm local authority Scottish Attainment Challenge allocations and Pupil Equity Funding allocations over four years. This was announced in Parliament on 23rd November as part of the refreshed Scottish Attainment Challenge. This multi-year funding enables school leaders and local authorities to plan for the long-term to tackle the poverty related attainment gap and support recovery for children and young people impacted by poverty.

In their review *Coherence and Sustainability: A Review of Tertiary Education and Research* publication (the review), SFC recommended that the Scottish Government (SG) enable them to provide more certainty for investments, beyond one year. In our response we committed to explore providing multi-year funding assumptions for Colleges and Universities.

In relation to this, the Cabinet Secretary for Finance and the Economy published a Resource Spending Review Framework alongside Budget 2022-23. The Framework initiates a national conversation on Scotland's public finances and sets out the Scottish Government's intention to develop multi-year portfolio spending plans, to be published in May 2022.

We also announced the outcome of the Capital Spending Review (CSR) in February 2021 which set out capital allocations for 5 years to 2025-26. The CSR set out allocations to FE and HE institutions for maintenance and other capital investment. It also committed funding to HE institutions for research over the same term.

The Committee considers that there continues to be a need for a clearer linkage from expenditure to outcomes including the provision of measurable 'milestones' to enable scrutiny and monitoring of the progress towards outcomes. The Committee notes the commitments to monitoring and evaluation contained in the Scottish Government education recovery plan. The Committee notes the commitment in the education recovery plan to update Parliament on progress being made to update the robustness of data being collected in response to an Audit Scotland recommendation. The Committee requests an update on the progress that is being made on this issue

RESPONSE

As part of the successful delivery of the 1140 expansion of high quality funded early learning and childcare from August 2021 we are now working to develop an outcomes framework that, alongside our evaluation strategy, will allow us to measure the three main benefits of the programme and ensure that we continue to secure value for money for the public purse. These are: improving children's outcomes and helping to close the poverty-related attainment gap; increasing family resilience through improved health and wellbeing of children and parent; and, supporting parents into work, study or training.

A key, targeted, element of our education recovery plans is the investment of £1 billion to tackle the poverty related attainment gap and to support education recovery. The Scottish Government recognises the disproportionate impact the pandemic has had on children and young people from the most disadvantaged background. In the work underway to develop for the Scottish Attainment Challenge a framework for recovery and accelerated progress, an important element will be the identification of local stretch aims as part of the planning and reporting required for the programme. This will see local understanding of the impact of Covid-19 used to inform local approaches to addressing it and understanding of the progress made in doing so. This will then aggregate to an enhanced national understanding of progress as part of the Scottish Attainment Challenge.

The Scottish Government intends to explore the data and research that are required to inform an evaluation system and to support the systematic approach to curriculum review. A short-life sub-group of the curriculum and assessment board will be set up to explore options for a sample-based survey that will look across the capacities

of curriculum for excellence. The sub-group will specifically consider the workload implications for staff of such a survey.

More broadly, the Scottish Government remains committed to teacher professional judgement being the primary means of assessing progress in the broad general education. The Scottish Government will consider how to better support that process and the achievement of Curriculum for Excellence levels data in the future. A full review of the 11 key measures of progress, reported on through the National Improvement Framework, will be carried out in 2022.

In its review the SFC recommend the development of a new National Impact Framework for colleges and universities, linked to Scotland's National Performance Framework.

In our response, the Scottish Government supported this recommendation and agreed that SFC should lead the development of an associated National Impact Framework. This Framework would set out the outcomes and impact the Scottish Government should expect from colleges and universities, and how they will be assessed. The Scottish Government expects SFC to create this in a way that connects with Scotland's National Performance Framework, which incorporates the United Nation's Sustainable Development Goals, and in partnership with the Scottish Government, the sector, students and key interests.

The Committee requests information on what framework you intend to put in place to allow for effective scrutiny of spend and of intended outcomes of attainment funding expenditure given that the Scottish Government intends to allocate £1 billion to addressing the attainment gap and support education recovery.

RESPONSE

In setting out plans for the refreshed Scottish Attainment Challenge I made clear that there has to be a greater understanding of the impact of the investment to drive improvement.

The refreshed Scottish Attainment Challenge is an opportunity to inject further ambition and urgency into the work, and to restate and reinforce the specific roles and accountabilities of the range of actors who are responsible for improvement, including Education Scotland, schools, local authorities and RICs. To support this, a small working group which included COSLA, ADES, AHDS and SLS was convened to discuss outline principles for a framework for recovery and accelerating progress.

This framework will include the local identification of aims for progress – based on local knowledge and professional expertise – within the refreshed SAC programme. These will enable the Scottish Government to understand what schools and local authorities expect to achieve and by when; and take due account of the impact of Covid-19. From that, the Scottish Government will be able to determine its own national aims for progress.

In preparation for that collaborative work early in the new year, the Scottish Government are working with a number of LAs to learn from their approaches to

collaborative improvement at local level. The Scottish Government know that this approach to local improvement is not novel and is highly effective in some areas, the challenge is to ensure more consistency across the country.

The Committee requests an update on your plans to improve the quality of data to cover all aspects of the Curriculum for Excellence. The Committee recognises that this data may be derived from a number of sources and may be potentially qualitative as well as quantitative. The Committee would The Scottish welcome information on any data that may be sourced through the involvement of pupils, parents and teachers.

RESPONSE

As part of the refreshed Scottish Attainment Challenge, the overall mission has been expanded to: *use education to improve outcomes for children and young people impacted by poverty with a focus on tackling the poverty related attainment gap.*

This recognises the need to reflect the breadth of achievements that contribute to improved outcomes for children and young people including through improved post-school participation in positive destinations.

In doing so, this presents better alignment with Curriculum for Excellence and the findings of the most recent OECD and Audit Scotland reports which both indicate the need for stronger national and local data in order to recognize how children and young people are progressing through all the four capacities, alongside attainment in national qualifications and awards.

A short-life sub-group of the curriculum and assessment board will be set up to explore options for a sample-based survey, looking across the all the four capacities of curriculum for excellence.

The Scottish Government is committed to centring the views of children and young people throughout our policy making, including on how to measure their progress. The Scottish Government is currently working with a consortium of children and young people's organisations to develop a strategic approach to this engagement which responds to their needs and find creative ways to draw in young people's views while this approach is developed.

More broadly, the Scottish Government remains committed to teacher professional judgement being the primary means of assessing progress in the broad general education. The Scottish Government will consider how to better support that process and the achievement of Curriculum for Excellence levels data in the future. A full review of the 11 key measures of progress, reported on through the National Improvement Framework, will be carried out in 2022.

The Committee considers it imperative ... that the Scottish Government continues, in its allocations within the 2022-23 budget, to enable and work with local government to maintain real terms increases in investment for primary and secondary school education.

RESPONSE

In terms of the Attainment Scotland Fund specifically, the Scottish Government has evidenced its continued commitment to tackling the poverty related attainment gap by committing to investing £1 billion over the course of this parliament – and increase on the £750 million invested during the last parliamentary term.

The Scottish Government is committed to investing in the education workforce through the allocation of additional permanent funding for local government of £145.5 million from 2022-23, to support the recruitment of additional teachers and pupil support staff. This is part of the Scottish Government's commitment to 3,500 additional teachers and 500 classroom assistants over the parliamentary term.

The Scottish Government have already, in partnership with local authorities, delivered on our commitment to increase the level of school clothing grant in Scotland, increasing this vital support to at least £120 for primary school pupils and £150 for secondary school pupils from August 2021. This has been supported by £12 million of funding which will be maintained during 2022-23. We will also introduce statutory guidance for schools, increasing the use of generic items of uniform and reducing costs for families, during the Parliamentary Term.

In addition, we have in partnership with local authorities introduced free school lunches during term time for P4 children by August 2021 and to P5 children from January 2022. Work to continue to support implementation of the expansion of universal free school meals and free school meal support during school holidays will continue during 2022-23. This will be supported with over £72 million to continue to fund expansion of free lunches, within a phased approach to delivery for all primary school pupils, and over £21 million to continue the provision of free lunches during the school holidays, focussed on those who will benefit the most.

We have already committed over £13 million of funding to remove remaining charges associated in some areas of Scotland with instrumental music tuition and with certain lessons within the core curriculum such as art or home economics. This removes cost as a factor when children and young people and their families and carers are considering what elements of education they want to pursue.

We are also investing over £15 million to undertake preparatory work for the commitment to provide a device for every child by the end of the parliamentary session.

The Committee would welcome your view of the adequacy of current indicators to measure rural deprivation which underpin allocation of funding. The Committee recommends that this is an issue which you could explore further through dialogue with COSLA.

RESPONSE

Much of the criticism of the indicators used to identify rural deprivation relates to the Scottish Index of Multiple Deprivation (SIMD). The SIMD uses a wide range of data across various subject areas (income, education, health, housing, etc.) to identify high concentrations of deprivation at small local level geographies. The SIMD is used in only two lines in education:

- Adult Literacy and Numeracy, where £5.6 million is distributed based on the number living in the top 20 per cent most deprived datazones; and
- ELC where £18 million is distributed on the number of ELC centres in deprived areas (this element is currently under review).

SIMD has previously been used to select Challenge Authorities for the Scottish Attainment Challenge, however from 2022-23 this funding will be allocated using Children in Low Income families (CiLIF) data, which is discussed below.

Free School Meal registration (FSM) data were used to distribute about £200 million in the core 2021-22 settlement, mainly through the Pupil Equity Fund and Education Deprivation GAE. It was also used to distribute 20 per cent of the Education Recovery funding following Covid. In general FSM data relate to individuals and so is unaffected by whether deprivation is in small pockets within affluent areas. The exception to this is the Education Deprivation GAE funding which specifically targets schools that have high concentrations of deprivation due to the additional difficulties this causes.

Children in Low Income Families data combine information from DWP on benefit recipients and HMRC on low incomes. These were used to distribute about £130 million in the 2021-22 settlement, and this is likely to increase in the 2022-23 settlement. The move to using this instead of the previously used benefits data has also resulted in an increase in deprivation funding going to rural areas, as families on low income are also included. Given the increasing reach of universal provision of free school meals, CiLIF data will also, in due course, replace the use of FSM data.

The Scottish Government are satisfied that both of these indicators adequately reflect rural deprivation, but would be happy to hear about concerns.

The Settlement and Distribution Group (SDG) is a joint SG/COSLA committee that oversees all recommendations regarding the funding formula and the indicators used. The SDG already has on its work-plan for 2022 a review of the deprivation indicators used in the settlement and the weighting they are given. The suitability of the indicators for both rural and urban areas will be included in this review.

The Committee therefore encourages the Scottish Government to work with the Auditor General for Scotland and the Accounts Commission to ensure that the impact of issues of rurality upon actual financial costs are explicitly considered in future. The Committee recommends that that this work is done in conjunction with education providers and stakeholders in rural or largely rural areas.

RESPONSE

The local government needs-based formula used to distribute the quantum of funding available for local government is kept under constant review and is agreed with COSLA on behalf of all 32 local authorities each year.

As the Committee notes, the local government funding formula takes account of rurality and the additional cost of providing education services through various elements. For example, the funding formula gives twice as much allocation per primary pupil in small rural schools than for other pupils, with additional funding then for those on islands. The formula also gives 20 per cent more support per secondary pupils in the islands than mainland pupils. Support for pupil transport is also heavily weighted towards those in rural areas.

The Scottish Government is always open to suggestions to improve the funding formula, however proposals must properly come through COSLA in the first instance.

The recent Convention of the Highlands and Islands (CoHI), on 25 October 2021, recognised the unique challenges and opportunities of developing tertiary education in the Highlands and Islands. It asked the Scottish Government to take that into consideration in the response to and implementation of the SFC Review. The Convention recognised wider issues on staff retention, targeted support for communities, digital connectivity and housing infrastructure and access to Gaelic. CoHI welcomed plans for a University of the Highlands and Islands (UHI) curriculum review to ensure they are meeting existing and future needs and asked for that activity to be taken forward in consultation with the institutions, unions, students and other stakeholders.

In the SFC review response SG acknowledged that the UHI has been working closely with its academic partners to become a more fully integrated tertiary institution that thrives in the future and delivers for communities and other stakeholders in the region, as recommended by the SFC. The Scottish Government would expect it to continue this direction of travel.

The Committee considers that the provision of multi-year settlements will provide colleges with better opportunities to plan the delivery of their services. Accordingly, the Committee considers this recommendation should be implemented promptly and requests further information on the plans and timescale for consultation.

RESPONSE

The Scottish Government is currently working on an implementation plan and timetable for the review recommendations with SFC and will update the Committee with the plans and timescale for consultation on multi-year funding assumptions as this is finalised.

The Committee recognises that the implementation of the SFC review will result in significant structural change within the sector. The Committee is concerned that any such structural change must not endanger community-based college provision. In this regard, the Committee recognises the validity of the Auditor General's view "that structural change must be clear in its purpose to improve outcomes for people who use and rely on public services". The Committee would welcome your view on this issue.

RESPONSE

The SFC review recommendations are not aimed at changing the structure of the college or university sectors. In our response to the review the Scottish Government stated that we are looking forward to working closely with the SFC and the sector on the assumptions that should underpin future funding models, including an exploration of the way the Scottish Government set targets and support the delivery of learning throughout life. While this is primarily focused on the SFC's own required work on funding models, the Scottish Government recognises the need for a partnership approach, involving government and the sector, in order to test and model the underlying policy and distribution assumptions. The Scottish Government anticipates this work connecting with the recommendation on moving towards a fair and appropriate distribution of investment across the college sector that takes account of the implications of funding national bargaining and the need to make adjustments to return to a more transparent price time's volume model.